

Exhibit 12

2 years ago.

Business Model-

Free Speech LLC 100% owned by AJ. Reported in his personal tax return.

PQPR Holdings- buys product. They own the product. Sales commission on the product. Sales tax issues in other states. 70% of the sale gets retained by PQPR and 30% to free speech.

From 2015- August 2021, this wasn't happening in actual practice.

Free speech got 100% of the money and gave PQPR whatever it wanted. PQPR sent invoices but they weren't paid. \$53m debt.

\$18m in costs associated with litigation.

\$10m developing facilities.

AJ paid a salary \$625000/year. Periodically he would withdraw additional funds.

2018-2021- draws totaling \$18m.

PQPR- 80% owned by PLJR, LLC and 20% by Dr. and Mrs. Jones. PLJR owned 10% by Carol Jones, and 90% by Trust. Effectively the trust owns 72% of PQPR.

Trust was created as a result of estate planning in motion prior to lawsuits.

Promissory note to AEJ Holdings, LLC bears interest at .032% no principal until it matures in 2048. 30 year loan interest only. \$25.9 million total value of principal. \$780,000 per year. It's never been paid regularly. Was supposed to be paid annually.

Trust- beneficiaries. David Jones settlor of trust. AJ grantor. Kids have first interest in the corpus of the trust. Original corpus was \$10,000 but then added the corpus of PLJR holdings. Alex is remainderman. If children got the money, it is subject to the loan in the note. Alex is paid the income.

PQPR holdings buys and sells dietary supplements acquired from various suppliers. At one point was being collected by Free speech systems. More often than not fulfilling its responsibilities.

AEJ 2018 trust—AJ is income beneficiary. His children are corpus beneficiaries and AJ the man is the remainderman. 72% of PQPR holdings is owned by AEJ trust. (90% divided by 80 percent is 72%), that is worth the \$25.9m.

Interest accrued and principal paid to as a result of the note goes to AEJ holdings, and it gets reported on AJ's individual tax returns.

Interest from original \$10,000 it gets paid to AJ.

Interest earned on note to AEJ holdings. If AEJ holding earns interest by the bank, it gets paid directly to AJ.

Bank statements:

Frost bank kicked him out a year ago. Since 2020, Security Bank of Crawford TX. Not a member of the fed.

4 primary accounts:

Lydia used to be the accountant and had experience and left 3-4 years ago and Melinda took over. Started as a payroll clerk 9/2016, but now does Quickbooks for both FSS and PQPR.

Entering invoices, accounts payable. Also does HR. Background checks by Department. Onboarding process—welcome packet. ADP for payroll, employee handbook w/ offer letter, rate, position and supervisor, ADP policies, NDA, I9, direct deposit.

Head of production used to be Rob Dew, but he left and is now a contractor. Each department would have its own rules and policies. For example, Kelly has warehouse policies. Doesn't know about verbal policies.

Disciplinary procedure in handbook. Verbal/written warning up to termination. This has happened 2-3 times that it has escalated to that point, but most discipline is handled within the individual departments.

Roe was brought in by Baker Hofsteter on behalf of PQPR in order to review the financial entanglement between FSS and PQPR. At some point, Mark Balon had to withdraw because of his wife's employment and then Mr. Roe's consulting terminated. Financial issues were resolved before contract terminated—all of the notes. August 2021 retained by FSS as a consultant to address.

New process- Auriam- 3rd party process in the middle to run credit cards. \$500,000 per year to guarantee the credit card transactions. No one wants to deal with Alex Jones. Received all the money from the credit card processor. Auriam gets paid 10% plus 4.9% to the cc processor.

FSS has its own products. To catch up on the debt to PQPR, FSS pays \$11,000 per business day plus 80% of their products (has since been amended to 60%). Mostly paying interest. Still owe \$53m.

Employee Handbook- effective date 10/2012 and hasn't been updated since.

Monthly break even is \$5m including a budget for litigation. Only took in a little over \$1m in January.

Kurt Nimmo Deposition-

Was fired.

For 2 years was a contract employee.

Needed someone to update the website and also write new content and be a writer.

Had a blog- Another Day in the Empire. Considered himself as engaged in journalism.

No training.

Within 2 years, they had a professional company design the website so he was strictly writing and editing.

He hired Adan and Kit Daniels

The writers had authority to post on the website independently.

No independent review of articles.

Want to give his writers autonomy.

Paul Watson operated prison planet p. 58